

City of North Charleston Accommodations Tax Grant Application

Additional Guidelines and Instructions - Tourism

This document is intended to provide additional guidance and instructions regarding the Application for Accommodations Tax Grants. This guidance is specific to the Tourism related aspect of Accommodations Tax Grants. These instructions are not to be considered all-inclusive and are a supplement to the instructions contained on the application form itself.

PURPOSE OF ACCOMMODATIONS TAX GRANTS

These grants are provided through revenue received by the City of North Charleston for its share of the 2% lodging tax levied by the State of South Carolina. These funds are awarded to Non-Profit organizations and can only be used for activities related to tourism including:

- **advertising and promotion of tourism so as to develop and increase tourist attendance through the generation of publicity;**
- **promotion of the arts and cultural events;**
- **construction, maintenance, and operation of facilities for civic and cultural activities including construction and maintenance of access and other nearby roads and utilities for the facilities**
- the criminal justice system, law enforcement, fire protection, solid waste collection, and health facilities when required to serve tourists and tourist facilities. This is based on the estimated percentage of costs directly attributed to tourists;
- public facilities such as restrooms, dressing rooms, parks, and parking lots;
- tourist shuttle transportation;
- control and repair of waterfront erosion;
- operating visitor information centers.

The City of North Charleston grant program generally provides support for the three items in bold above. The other items, in most cases, would not be applicable to non-profit applicants for this funding.

INTERPRETATION OF “TOURISM RELATED EXPENDITURES”

The State of South Carolina’s Tourism Expenditure Review Committee (TERC), which has oversight of these funds, has provided some guidance and interpretation of the state law. Tourism is defined in the state law as the activities of people taking trips outside their home communities for any purpose, except daily commuting to and from work. The law does not provide a definition of “home community”. The tourism industry has offered the commonly accepted definition of travel as being 50 miles or more, one way, from the traveler’s origin or home. However, TERC has found that this mileage standard does not sufficiently address the realities of patterns of visitation and the economic benefits derived from visitation to communities in South Carolina. Therefore TERC, in addition to considering the 50 mile test, takes into consideration the following guiding principles:

1. The expenditure must be used to attract or provide for tourists.
2. The expenditure cannot be used for an item that would normally be provided by the county or municipality.

TERC guidance states:

With respect to Test 1, “the committee seeks to distinguish between events that are designed for and attended primarily by those in the local community, from events that are designed for and attended

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primarily by non-residents who come from outside the local community. In looking to make a determination regarding the purpose or intent of an activity or events, the Committee looks to substantiate the promotional activities undertaken to bring non-residents into the area to attend the funded activity. Thus, the geographic breadth and extent of such promotion is seen as a key indicator of the extent to which the purpose of the funded activity is to attract non-residents. As the statute identifies such promotional activities to be an approved use of funds, the Committee encourages counties and municipalities to consider this factor in granting funds.”

With respect to Test 2, “to determine whether an item (or a facility) would normally be provided regardless of the extent of visitation, the Committee looks to see how the item addresses the needs of visitors relative to the needs of residents. The question is whether the item is consumed or used in the process of attracting visitors, by the visitors themselves, or by the community on their behalf; or if the item is consumed or used primarily by the resident population or on their behalf.”

Additionally, TERC has provided additional specific guidance on Items above:

A. advertising and promotion of tourism so as to develop and increase tourist attendance through the generation of publicity

Guidance specific to Sporting Events: Funds can be used to advertise and increase attendance to sporting events from out of market (outside of the Tri-County area). For purposes of complying with the requirement that “advertising and promotion” of sporting events “develop and increase tourist attendance through the generation of publicity”, TERC interprets this section to require that:

- 1) Expenditures for advertising must be made out of market (outside of the Tri-County area) and be designed to increase attendance at, and participation, in individual sporting events by tourists.
- 2) Expenditures to organize and stage the event may not include the expenditures to rent or operate the facility hosting the sporting event and must be a percentage of the total budget for the sporting event which shall not exceed the percentage of out of market attendance in relation to the total attendance to the event.

It is understood that an applicant for funding of a sporting event under this section must affirmatively document the percentage of tourists versus total attendance by credible means which shall include details on how the numbers were obtained and verified. Such documentation shall be attested to by an authorized officer, member or employee of the applicant before a South Carolina notary public if requested.

B. promotion of the arts and cultural events

For purposes of complying with this section, TERC interprets this to authorize:

- 1) expenditures for advertising to increase attendance at museums or other facilities dedicated to the display of arts or at individual cultural events from either within or without of the local market, or

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- 2) dedication of a percentage of the total budgeted expenditures for a specific cultural event, not including the expenditures to rent or operate a facility, which percentage may not exceed the percentage of out of market tourists in relation to the total attendance to the event.

It is understood that an applicant for funding of a sporting event under this subsection must affirmatively document the percentage of tourists versus total attendance by credible means which shall include details on how the numbers were obtained and verified. Such documentation shall be attested to by an authorized officer, member or employee of the applicant before a South Carolina notary public if requested. **An expenditure for construction and maintenance of individual cultural facilities may not be made under this section.**

C. construction, maintenance, and operation of facilities for civic and cultural activities including construction and maintenance of access and other nearby roads and utilities for the facilities

For purposes of complying with the “construction, maintenance and operation of facilities for civic and cultural activities” requirement, TERC interprets this section to authorize:

- 1) expenditures for construction, maintenance and operation of a facility for holding cultural events of varying types and numbers, to include events at which performing arts are displayed, or
- 2) expenditures for construction, maintenance and operations of a facility for conventions of regional and national groups.

Such expenditures must be of such a percentage of the total expenditures that they do not exceed the percentage of tourists expected to attend the events in relation to the total expected attendance. Reimbursement of salaries is not a permitted use of A-Tax funds under this section.

APPLICATION INSTRUCTIONS

SECTION III – FUNDING REQUEST FOR BUDGET YEAR 2020

The section detailing the funding request for 2020 is designed to categorize requests based on the eligible expenditures outlined in items A, B and C above. Requests in multiple categories in the same application are permitted. Please be specific in your request. Ideally your request should fall into categories A, B or C to be clearly tourism-related. Requests in categories D or E must contain a clear link to tourism and adequate information to document the tourism link.

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SECTION IV – TOURISM IMPACT

This section is where the tourism related justification and impact will be provided and documented. The application has sections specifically geared to provide documentation as outlined in the TERC interpretive policies and guidelines.

Question A: narrative description of project and why it contributes to tourism. This question does not require statistical data to be included.

Question B: request for financial and demographic data for last year and current year.

Total budget of event/project: enter the total budget for all aspects of the event or project.

For example, the total budget for a festival or the total operating budget for a tourism related facility such as a museum.

Amount funded by A-Tax – City: enter the amount of A-tax funding received from the City of North Charleston for 2018 and 2019 for the same project or event for which you are requesting funding for 2020.

Amount funded by A-Tax – All sources: enter amount of A-tax received from all sources such as counties or other municipalities. This amount should also include the amount received from the City of North Charleston.

Total Attendance: Enter the total attendance for the project/event or facility.

Total number of tourists (non-residents): enter the number of tourists attending out of the total attendance.

Question C: Explain how the attendance figures in Question B were obtained. Provide examples of your methodology. Total attendance could be obtained from number of tickets sold, venue capacity and email marketing efforts. Possible methods to determine tourist attendance include collection of zip codes during ticket sales transactions, surveys of attendees, and website data. Extrapolating from samples is permitted. For example, if you surveyed a random sample of attendees at your events, and 73% of your survey participants reported they were from out of town, you may apply that percentage to your total documented attendance to arrive at the number of tourists for the entire event.

Question D: Explain how you plan to obtain tourism data for 2020 and how the success of the project/event will be determined in general and in regards to *TOURISM IMPACT*. In addition to suggested methods above for measuring tourism impact, overall satisfaction with the program/event or facility should be measured. Audience or participant surveys, along with media reviews, might be utilized, along with demographic data.

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SECTION V: MARKETING OR MEDIA INFORMATION

This section is designed to document the marketing and promotional activities conducted for the project/event or facility. We will use this section to assess your efforts to impact tourism, regardless of the actual tourism attendance reported in the previous section.

Question 1: Please list all advertising planned for the 2020 project/event or facility. This advertising can also include advertising that may occur in 2019 for a 2020 event. List all planned advertising, whether or not funded by accommodations tax. In order to promote or increase tourism, and promote arts and cultural events, it must be evident that advertising efforts reach beyond the local market (Tri-county area) and reach regional or national markets.

Question 2: “Web Analytics” is a type of data that has become an industry standard for any type of grant involving marketing or promotion. If you have a website you can do this. However, it cannot be done retroactively – the tools have to be in place already. If you don’t have a website, you will have to provide other documentation of your tourism impact and also the methodology used to compute the numbers. The credibility of this documentation will be considered in evaluating your application.

Website tracking data is available through Google Analytics and other search engine programs. Google Analytics is free to use, but you might need professional assistance in setting it up and installing the proper tracking codes in your website. Your website host may be able to assist with this.

To answer Question 2, please specify the time period for which the data is provided. We would prefer a 12-month period of time, but it does not have to be a calendar year. You can use the most recent 12 months or a 12 month period to match your fiscal year, but it should include your most recent event. If you don’t have 12 months of data, please provide whatever data you have. Please also be sure to specify the dates of your event in Section III at the top of page 5. The web measurements we are requesting are standard measurements that should be available to you if you are using any type of web tracking.